

PROCUREMENT OF CLIENT SERVICES

Use the Department of Human Service's Service Contract

Definition of Client Services: Services provided directly to the DHS client from a human service provider.

Services may include: Residential Services, Intensive Supervision Services, Individual/Family Mental Health Therapy, Psychological Testing, Psychiatric Evaluations, Ropes Courses, Substance Abuse intervention, Teen Pregnancy Workshops and Training, Sex Abuse Treatment and Assessment, Foster Parent Training and Consulting, Child Abuse & Prevention, Observation & Assessment Programs, Crisis Nursery, Medical and Dental Services.

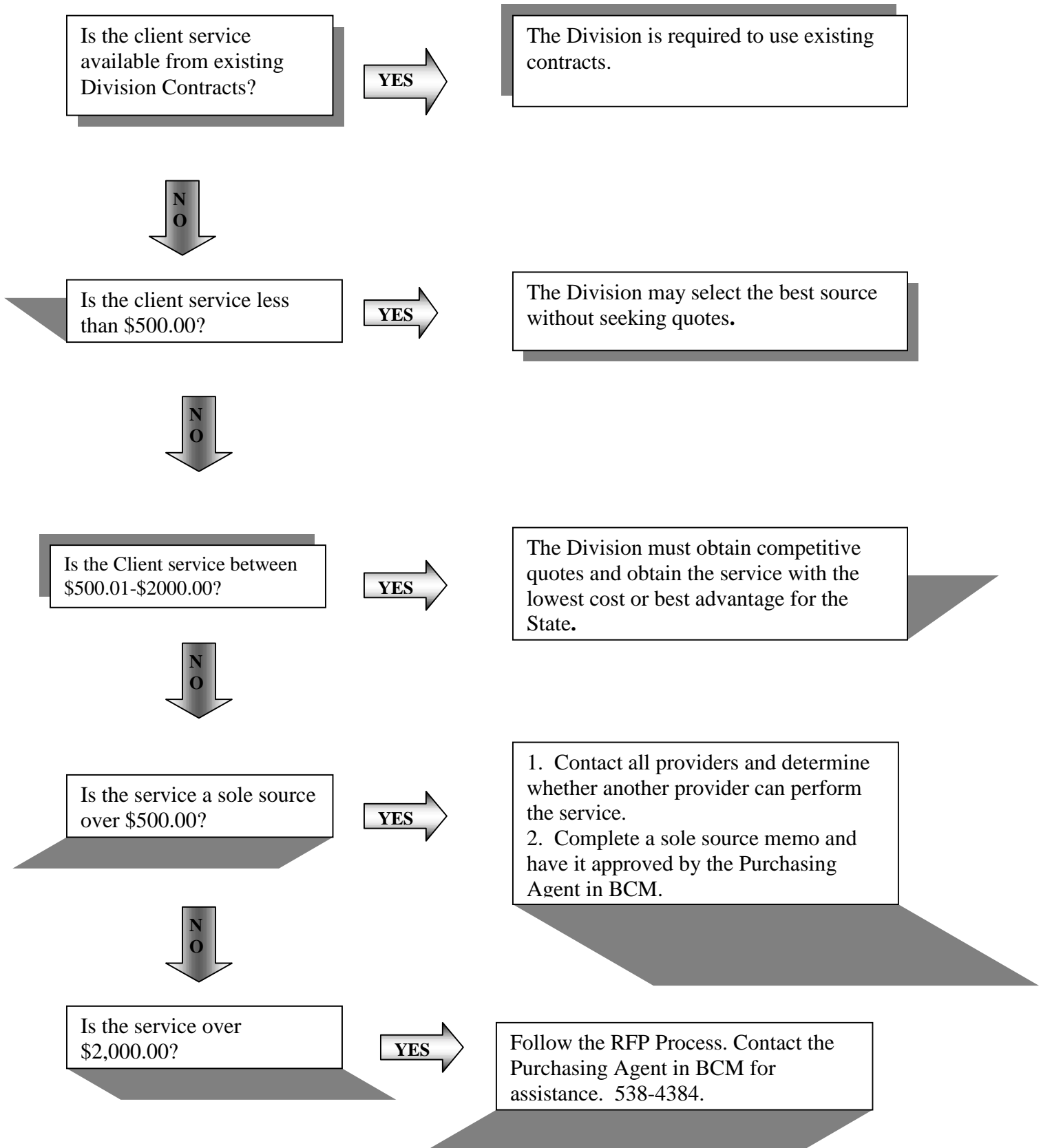
The following procurement process must be followed to obtain client services.

It is the responsibility of each Division, Office or Agency to research existing contracts to determine if the services are already on contract. When an existing contract is in place these contracts must be used regardless of the dollar amount involved.

Each Division, Office or Agency has designated and trained contracting staff to determine which contracts must be used.

1. **\$1.00-\$500.00:** If the service is not already on contract, the Division may select the best source without seeking competitive quotes.
2. **\$500.01-\$2,000.00:**
 - a. Determine that the service is not available from an existing Division contract.
 - b. Obtain at least two telephone quotes from qualified providers (e.g. check the Yellow Pages, Division Staff, Internet).
 - c. Secure the service from the provider whose quote is the lowest or most advantageous for the State.
3. **\$500.00 AND ABOVE SOLE SOURCE:**
 - a. Determine that the service is not available from an existing Division contract.
 - b. Contact all qualified providers to determine if they are able to provide the required service. If only one provider is able to provide the service they are deemed to be a sole source.

- c. Complete a sole source memo justifying the sole source and E-mail it to the Department's Purchasing Agent in the Bureau of Contract Management (BCM) (801) 538-4384. The memo must document a fair procurement process and the need for a sole source.
 - d. If approved, the Purchasing Agent in BCM will sign the memo.
 - e. If it is a one-time payment, the signed sole source memo must be attached to the payment document.
 - f. If a contract is required for the service, over \$2,000 in a fiscal year or an ongoing service, the signed memo must be attached to the contract.
4. **\$2000.01 and Above:** Client services for over \$2000 require that the Request for Proposal (RFP) process be followed. Detailed instructions for the RFP process are found in Chapter III of this manual. Contact the Department's Purchasing Agent in BCM if you need additional assistance.

**DEPARTMENT OF HUMAN SERVICES
PROCUREMENT PROCESS FOR CLIENT SERVICES**

PROCUREMENT OF COMMODITIES AND NON-CLIENT SERVICES

Use the State Purchasing Vendor Contract FI-84 for contracted services.

Examples of Non Client Services: Janitorial services, refuse removal, snow removal, staff training, consulting, food services, laboratory testing, construction, remodeling, and printing.

Examples of Commodities: Consumable office supplies, equipment, computers and printers, food, publications, and security equipment

1. **STATEWIDE CONTRACTS THROUGH STATE PURCHASING:** may already exist for the service or commodities needed.
 - a. Commodities or services covered by existing statewide State Purchasing contracts are ordered from the existing contract vendor regardless of the dollar amount.
 - b. Contact the Department Purchasing Agent in Finance (801) 538-4130 to determine if the required commodity or service available on existing contracts? You may locate State Purchasing's web page at www.purchasing.state.ut.us.
2. **OTHER STATE AGENCIES:** may already be approved for the service or commodities needed.
 - a. The following State Agencies provide commodities or services:
 - 1) Department/Division of Surplus Property
 - 2) Department/Division of Correction Industries
 - 3) Department/ Division of Services for the Visually Disabled
 - b. These Departments/Divisions must be contacted to determine if they provide the commodity or service needed. If the state agencies supply the commodity or service, DHS is required to purchase from them.
3. **\$1.00 - \$500.00:** When the service or commodity is not on contract or available from another state agency, the Division/Office or unit may select the best source without seeking competitive quotes.

4. **\$500.01 - \$2,000:**

- a. Determine if the commodity or service is available from an existing statewide State Purchasing contract or another state agency.
- b. If not, obtain at least two telephone quotes from competitive vendors (check the Yellow Pages or Internet).
- c. Order the commodity or service from the vendor whose quote is the lowest or most advantageous for the State.
- d. The telephone quote sheets must be attached to the payment document.

5. **\$500.01-\$2,000 SOLE SOURCE:**

- a. Determine if the commodity or service is available from an another State Agency or existing statewide purchasing contracts.
- b. If not, contact all potential vendors to determine if they are able to provide the commodity or service (check the Yellow Pages, the Internet, State Purchasing). If only one vendor is able to provide the commodity or service, the vendor will be deemed a sole source.
- c. Complete the Division of Purchasing "Sole Source Request" to justify the need for a sole source.
- d. Contact the Department Purchasing Agent in Finance for pre-authorization to purchase the commodity or service.

6. **\$2,000 AND ABOVE:**

- a. Determine if the commodity or service is available from an existing statewide State Purchasing contract or from a State Agency.
- b. All purchases over \$2,000 that are non-client services must be bid through State Purchasing at the State Capitol rather than through the DHS Purchasing Agent. Detailed bid specifications or RFPs must be submitted to State Purchasing for all commodities or services.

7. **PROPRIETARY PUBLICATIONS:** The Department Purchasing Agent in Finance has a delegation of authority FROM State Purchasing to approve purchases up to \$5,000 for Proprietary Publications. These are special workbooks, pamphlets or videos that are only available from the publisher. Contact the Purchasing Agent in Finance for prior approval.

8. **SPEAKER HONORARIUMS:** The Department Purchasing Agent in Finance has a delegation of authority from State Purchasing to approve speaker honorariums up to \$5,000. Contact the Purchasing Agent in DHS Finance for prior-approval.
9. **RETREAT/CONFERENCE/SYMPOSIUM:** Prior approval must be obtained from the State Travel Office for any conferences, retreats, or meetings in excess of \$500.00. Contact the State Travel Office for their authorization. You will be issued an approval number to be used to process your payment.

STATE PURCHASING POLICY
COMMODITIES AND NON-CLIENT SERVICES

Is Commodity or Service
Available from other State
Agencies?

YES

Producing/Distributing State agencies
will be the source of supply if the
commodity meets the requirements of the
ordering agency. Approved State
Producing/Distributing Agencies:
Division of Surplus Property
Division of Correction Industries
Division of Services for the Visually
Disabled

NO

Is Commodity or Service
on a Statewide Contract?

YES

The Division is required to use statewide
contracts (regardless of dollar amount)
when those contracts offer commodities
or services that meet DHS requirements.
State Finance Director approval is
required for all capital outlay
procurements greater than \$10,000.00
(including items on statewide contracts).

NO

Is Commodity or Service
\$500.00 or less?

YES

The Division may select the best source
without seeking competitive quotes.

NO

Is Commodity or Service
between \$500.01-
\$2,000.00?

YES

The Division must obtain competitive
quotes and purchase the commodity or
service from the vendor offering the
lowest quote.

NO

Is Purchase Commodity or
Service more than
\$2,000.00?

YES

Submit a purchase requisition to the
State Division of Purchasing for a
competitive bid.

NOTE: All non-client sole source procurements greater than \$2,000.00 must be approved by the Division of State Purchasing (**not BCM**) using a Sole Source Request form. This flow chart is for informational purposes only.

**PROCUREMENT METHODS
TELEPHONE QUOTES****\$500.01 - \$2,000.00**

PROCUREMENT METHOD	WHEN/WHY USED
<ul style="list-style-type: none"> ➤ Call 2 or more vendors ➤ Describe requirements ➤ Obtain verbal quotation without disclosing competing quotations ➤ Select lowest responsive quotation 	<ul style="list-style-type: none"> ➤ Low cost of item to be purchased ➤ Quickest means of competitive procurement

**SOLE SOURCE
OVER \$500.00**

PROCUREMENT METHOD	WHEN/WHY USED
<ul style="list-style-type: none"> • Identify single source and prepare justification • DHS Purchasing Agent in Finance approves non-client services and commodities between \$500.00 and \$2,000.00 • Division of Purchasing approves non-client services and commodities over \$2,000.00 • DHS Purchasing Agent in BCM approves Client Services over \$500.00 • Direct negotiations with single source for best terms, including cost 	<ul style="list-style-type: none"> • No product choices or alternatives • No vendor choices or alternatives • Emergency purchase, no time for other methods (as defined by law)

**INVITATION TO BID (State Purchasing Process)
OVER \$2,000.00**

PROCUREMENT METHOD	WHEN/WHY USED
<ul style="list-style-type: none"> ❑ Specify requirements ❑ Solicit written quotations ❑ Bids/Quotations opened publicly ❑ Select lowest bid meeting minimum requirements 	<ul style="list-style-type: none"> ❑ Requirements can be clearly described ❑ Specific product or little product differentiation ❑ Cost is key consideration

REQUEST FOR PROPOSAL

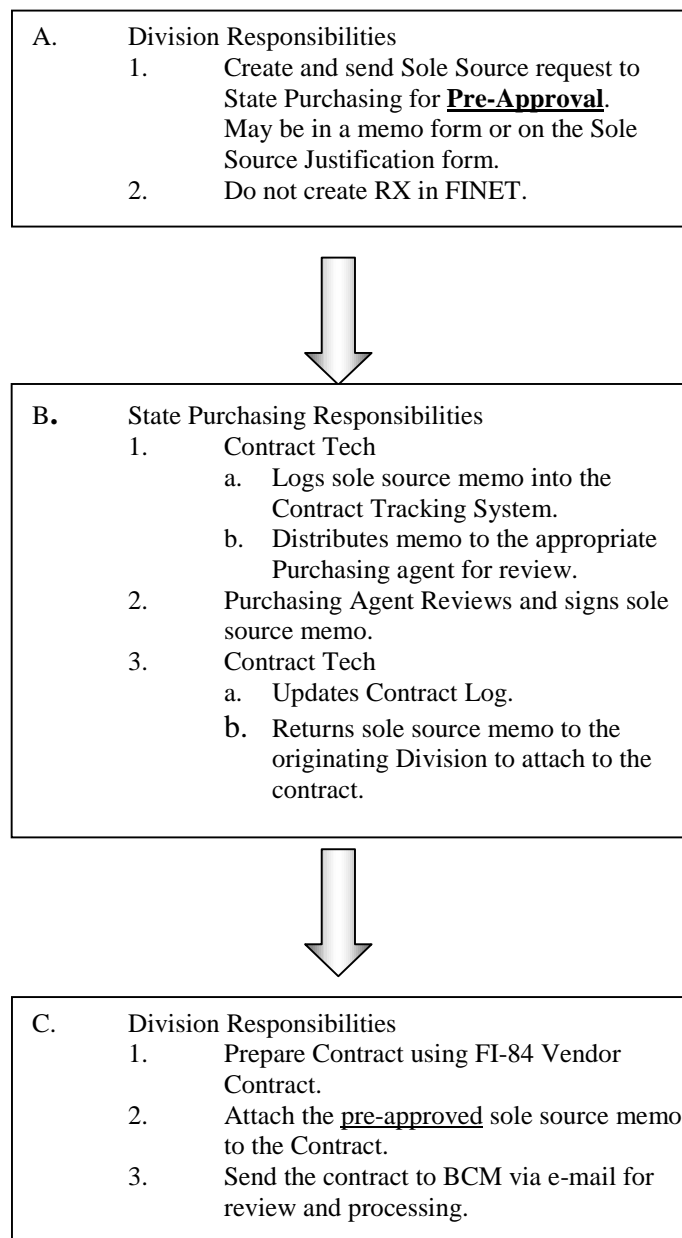
PROCUREMENT METHOD	WHEN/WHY USED
<ul style="list-style-type: none"> ❖ Describe problem or need ❖ Identify and describe any constraints on solutions ❖ Solicit proposed solutions, including cost ❖ Select best solution given established criteria 	<ul style="list-style-type: none"> ❖ Seeking for solutions to a defined problem or need ❖ Multiple options expected ❖ Will require negotiation ❖ Cost is only one of many important criteria

\$500 - \$2,000 contact Department Purchasing Agent in Finance at 538-4130
SOLE SOURCE PROCESS
Non-Client Services & Commodities
\$2,000 and up

There are different procedures to follow in the Sole Source process. Determine whether you need a contract with the vendor or are making a single purchase. Then refer to the guidelines below for each process.

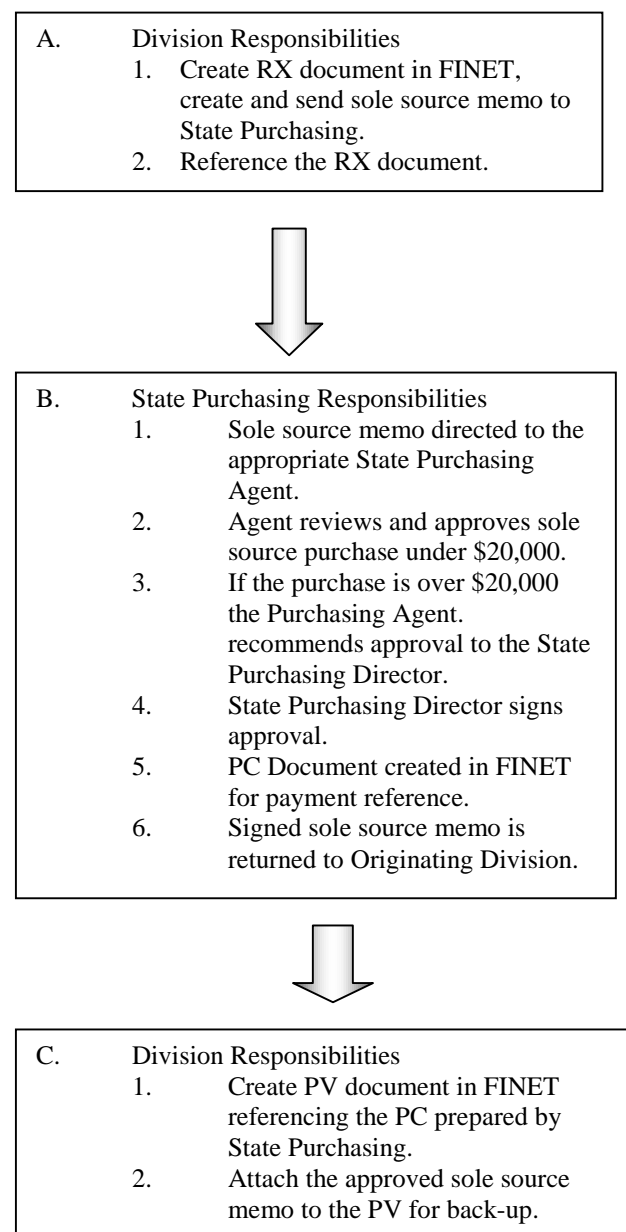
Agency Contract: use for an On-going relationship with the Vendor.

These are the steps that are followed:



Purchase Order: use for a One time Payment to the Vendor.

These are the steps that are followed:



STATE PURCHASING RFP PROCESS

Non-Client Services over \$2,000

Use FI-84 Vendor Contract

Examples of non-client services: Snow removals, janitorial services, refuse removal, food services, laboratory testing, remodeling and printing. Note that these contracts are handled by State Purchasing not BCM.

1. RFP- REQUEST FOR PROPOSAL:

- a. Division Responsibilities: The following 3 documents must arrive together at State Purchasing for the procurement process to begin:

- 1) Create the RX document in FINET
- 2) Draft version of RFP document needs to be sent by E-mail to the appropriate Purchasing Agent.
- 3) The address list of suggested sources must be sent by E-mail to the Purchasing Agent and needs to include the zip code.

- b. State Purchasing Responsibilities:

- 1) Purchasing Agent
 - (a) Reviews and edits the draft version of the RFP.
 - (b) Consults with the Division concerning the required changes.
- 2) Purchasing Tech:
 - (a) Prepares the RFP document.
 - (b) RFP posted to the State Purchasing web page.
 - (c) Division notified by E-mail that the RFP has been published.
 - (d) Advertised in the newspaper
- 3) RFP Closes at State Purchasing: Proposals are referred to the Division for review and evaluation.

- c. Division Responsibilities:

- 1) Review Committee:
 - (a) Signs conflict of interest forms
 - (b) Score RFP
 - (c) Evaluates the score sheets and recommends the award of the contract.

2) Committee Chairperson:

- (a) Prepares Award Justification Memo or Letter
- (b) Sends the following documentation to State Purchasing.
 - (i) Conflict of Interest Forms
 - (ii) Original Score Sheets
 - (iii) Score Summary Sheet
 - (iv) Award Justification Memo or Letter
- (c) Retain one copy of the proposal for the Division contract file. All remaining copies, including the original copy of the proposal, are sent to State Purchasing.

d. State Purchasing Responsibilities:

PURCHASING AGENT:

- 1) Reviews all documentation
- 2) Approve the award recommendation from the Division, and award the contract if it is under \$20,000.
- 3) If over \$20,000, Purchasing Agent reviews documentation and makes a recommendation of the award to the State Purchasing Director.
- 4) If approved, the State Purchasing Director awards contract.
- 5) Award notification letters are sent to all offerors via the fax.
- 6) A copy of the award letter sent by E-mail to the Division.

e. Division Responsibility:

- 1) Negotiate contract with offeror.
- 2) Prepare contract using the FI-84 Vendor Contract boilerplate. Send completed contract boilerplate via E-mail to BCM for processing.

State Purchasing Commodities Bid Process Over \$2,000

Use FI-84 Vendor Contract form if bid results in a contract.

Request for Quotation (RFQ): This process is used for purchases of \$2,000 to \$20,000

Invitation to Bid (ITB): This process is used for purchases over \$20,000.

1. **DIVISION RESPONSIBILITIES:** The following three (3) documents must arrive together at State Purchasing for the procurement process to begin:
 - a. Create the RX document in FINET.
 - b. The draft version of the bid specifications is sent by E-mail to the appropriate Purchasing Agent if the specifications are not described in the RX. You may contact Kathy Myers, the Purchasing Agent in DHS Finance, for the current list of State Purchasing Agents at (801)538-4130.
 - c. The address list of suggested sources is sent by E-mail to the appropriate Purchasing Agent that includes the zip code.
2. **STATE PURCHASING RESPONSIBILITIES:**
 - a. Purchasing Agent:
 - 1) Reviews and edits bid specifications
 - 2) Consults with the Division concerning required changes.
 - b. Purchasing Tech:
 - 1) Solicitation documents are prepared.
 - 2) Bid is posted to State Purchasing web page
 - 3) Advertised in newspaper if the solicitation is over \$20,000.
 - c. RFQ or ITB Due at State Purchasing: Bids and quotes are referred to the Department/Division for review and evaluation.
3. **DIVISION RESPONSIBILITIES:**
 - a. Reviews and evaluates the bids or quotes.
 - b. If the Division does not choose the lowest bid or quote, you must justify in a letter, why it does not meet the minimum specifications set forth in the RFQ or the ITB and send the letter to State Purchasing.
 - c. Sends the bid or quote recommendation and all copies of the bids to State Purchasing

4. STATE PURCHASING RESPONSIBILITIES:**a. Purchasing Agent:**

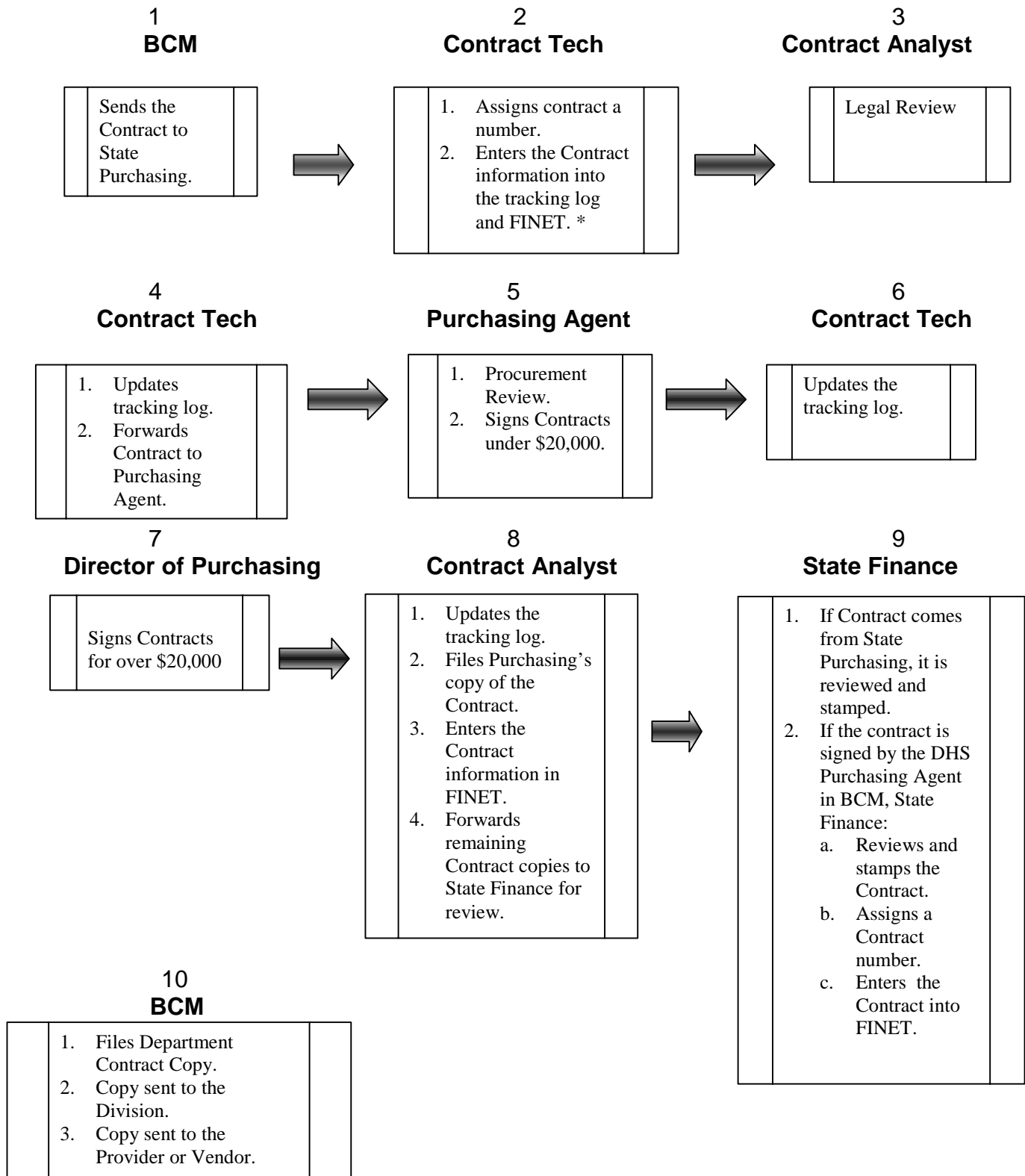
- 1) Review the Division's recommendation.
- 2) Recommends the bid or quote award to the State Purchasing Director for his/her signature, if it is over \$20,000.

b. Purchasing Tech:

- 1) Creates the PC document in FINET if it is a one-time purchase.
- 2) Creates the Contract Page in FINET if it is to be an ongoing relationship resulting in a contract.
- 3) FI-84 Vendor Contract boilerplate is sent to the Department/Division.

5. DIVISION RESPONSIBILITIES:

- a. Completes the FI-84 Vendor Contract boilerplate.
- b. Completes the scope of work and attaches it to the contract.
- c. E-mail FI-84 Vendor Contract and scope of work to BCM for review and processing.

CONTRACTING PROCESS FOR STATE PURCHASING

***It is the Division's responsibility to track their contracts at State Purchasing. To track the progress of a contract, go to www.purchasing.state.ut/contracts/default.htm.**